

## Message Text

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PAGE 01 NOUAKC 00188 291405Z

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ACTION AF-06

INFO OCT-01 EUR-12 ISO-00 SP-02 AID-05 EB-07 NSC-05 RSC-01

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 COME-00

XMB-02 FRB-03 CIAE-00 DODE-00 PM-03 H-01 INR-07 L-02

NSAE-00 PA-01 PRS-01 USIA-06 FS-01 /085 W

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R 291205Z JAN 75

FM AMEMBASSY NOUAKCHOTT

TO SECSTATE WASHDC 3310

INFO AMEMBASSY DAKAR

AMEMBASSY PARIS

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PARIS PASS RFC

E.O. 11652: N/A

TAGS: EFIN EINV MR

SUBJECT: NEGOTIATIONS UNDERWAY BETWEEN BIMA AND GIRM

REF: NOUAKCHOTT 0093

SUMMARY: PROBLEM EXPERIENCED BY BANQUE INTERNATIONALE  
POUR LA MAURITANIE (BIMA), WHICH IS 49 PERCENT OWNED BY  
FIRST NATIONAL CITY BANK, MAY BE ON ROAD TO RESOLUTION.  
TEAM OF FRENCH BANKERS REPRESENTING BANQUE INTERNATIONALE  
POUR L'AFRIQUE OCCIDENTALE (BIAO), BIMA'S PARENT BANK,  
AND REPRESENTATIVE OF CITY BANK DISCUSSED SITUATION  
WITH MARITANIAN CENTRAL BANK OFFICIALS JANUARY 27-28.  
END SUMMARY.

1. THREE MAN TEAM OF FRENCH BANKERS REPRESENTING  
BIAO AND LED BY BIAO DIREVOOR GENERAL JEHAN DUHAMEL  
VISITED NOUAKCHOTT JANUARY 26-27. DENNIS DE MUNNICK,  
DIRECTOR OF FIRSTZNUONAL CITY BANK, WHO INTENDED  
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PAGE 02 NOUAKC 00188 291405Z

TO JOINT GROUP JANUARY 26, WAS NOT ABLE TO ARRIVE UNTIL  
EVENING JANURY 27 AS RESULT OF MISSED PLANE CONNECTION

AND SUBSEQUENT INABILITY TO LAND AT NOUAKCHOTT DUE TO SEVERE SAND STORM. DE MUNNICK, THEREFORE, HAD SEPARATE SET OF MEETINGS WITH BIMA AND CENTRAL BANK OFFICIALS ON JANUARY 28. CHARGE MET WITH FRENCH TEAM PRIOR TO THEIR DISCUSSIONS AT CENTRAL BANK AND WITH DE MUNNICK FOLLOWING HIS MEETINGS IN NOUAKCHOTT.

2. BIAO GROUP AND DE MUNNICK MADE FOLLOWING THREE-POINT PROPOSAL TO CENTRAL BANK GOVERNOR, AHMED OULD DADDAH: (A) BIMA AGREED TO PAY INDEMNIFICATION FOR "ALLEGED" INFRACTIONS OF MAURITANIAN BANKING LAWS; (B) BIMA WILL ACCEPT 51 PERCENT HOLDING OF ITS BANK SHARES BY MAURITANIAN CENTRAL BANK (THIS IS ESSENTIALLY SAME ARRANGEMENT NEGOTIATED BY BANQUE ARABE-ARICAINE EN MAURITANIE--SEE NOUAKCHOTT A-60); AND (C) BIAO/CITY BANK AGREED TO MAKE LOAN AVAILABLE TO GIRM FOR PAYMENT OF OUTSTANDING EXPORT BILLS DRAWN BY BIAO COVERING EXPORTS OF RECENTLY NATIONALIZED MIFERMA, MAURITANIA'S IRON MINE COMPLEX. ACCORDING TO DE MUNNICK, CENTRAL BANK GOVERNOR WAS RECEPTIVE TO THIS PACKAGE AND CITY BANK REP THOUGHT BIMA AND GIRM "CAN COME TO A MUTUAL AGREEMENT." PACKAGE MUST ALSO BE RATIFIED BY BIAO MANAGEMENT.

3. DURING MEETING WITH MINISTER OF HEALTH JANUARY 28 ON ANOTHER TOPIC, MINISTER TOLD CHARGE HE HAD TALKED WITH BANK GOVERNOR OULD DADDAH EVENING JANUARY 27 AT WHICH TIME OULD DADDAH EXPRESSED OPTIMISM THAT TWO PARTIES WERE ON ROAD TO REACHING AGREEMENT.

4. AS SIDE ISSUE, DE MUNNICK WONDERED IF "OTHER FOREIGN BANKING INTERESTS, PARTICULARLY ARAB INTERESTS" MIGHT BE BEHIND BIMA'S DIFFICULTIES. CHARGE REPLIED THAT, ALTHOUGH THIS POSSIBILITY SHOULD NOT BE RULED OUT, EMBASSY HAS HEARD NOTHING TO THIS EFFECT AND WE SERIOUSLY DOUBT SUCH IS CASE. WE CONTINUE TO THINK THAT BIMA'S PROBLEM IS RELATED DIRECTLY TO ITS PAST DEALINGS WITH MIFERMA.

FYI: TWO--BANVQC ARABE-AFRICAINE EN MAURITANIE AND'  
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PAGE 03 NOUAKC 00188 291405Z

BANQUE ARABE-LIBYIENNE-MAURITANIENNE DE DEVELOPPEMENT--  
OF FIVE BANKS IN MAURITANIA HAVE HEAVY ARAB INVOLVEMENT.  
CENTRAL BANK ALSO HAS SEVERAL ARAB ADVISORS. END FYI.

5. COMMENT: IF BIAO MANAGEMENT RATIFIES PACKAGE AND GIRM ACCEPTS PROPOSALS, WE WOULD NOT BE SURPRISED TO SEE CENTRAL BANK LIFT THREE-MONTH PROHIBITION ON BIMA FOREIGN EXCHANGE TRANSACTIONS. EVEN SHOULD THIS HAPPEN, HOWEVER, THERE WILL PROBABLY BE MODERATE DELAY BEFORE BIMA CAN ACTUALLY TRANSACT FOREIGN EXCHANGE BUSINESS.SHINN

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## Message Attributes

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